

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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P R 291350Z APR 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 8925

INFO AMEMBASSY BONN

USMISSION IAEA VIENNA

AMCONSUL RIO DE JANEIRO

C O N F I D E N T I A L BRASILIA 3273

EXDIS

E.O.11652: GDS

TAGS: TECH, BR

SUBJECT: US POLICY ON URANIUM ENRICHMENT FACILITIES: BECHTEL LETTER
TO MINISTER UEKI

REF: A . STATE 95776 B. STATE 87906

1. ON APRIL 25, AMBASSADOR DELIVERED LETTER TO MINISTER
UEKI PURSUANT TO REFTEL B.

2. MINISTER READ LETTER WITH GREAT DEAL OF CARE AND
INTEREST. HE EXPRESSED THANKS FOR THE CLARIFICATIONS WHICH,
HE SAID, HE UNDERSTOOD COMPLETELY. WITH RESPECT TO PARA
4. B - C REFTEL, HE COMMENTED THAT THE STATEMENT "DID
NOT CLOSE THE DOOR" AND THEN AFTER A PAUSE, ADDED: "IN
FACT, IT OPENS IT." AMBASSADOR EXPRESSED AGREEMENT THAT
NO DOORS WERE CLOSED BUT EMPHASIZED THAT NO DECISION OF
ANY KIND HAD BEEN REACHED ON OFF-SHORE SITES, THAT AT THIS
POINT NO ONE WAS IN A POSITION TO MAKE COMMITMENTS OF ANY
KIND TO GOB, AND THAT, IN ANY EVENT, DECISIONS WERE AT LEAST
A FEW YEARS AWAY. THE AMBASSADOR ALSO MADE A POINT OF
NOTING THAT THE LETTER WAS TALKING ABOUT "COOPERATIVE"
VENTURES. MINISTER INDICATED THAT HE UNDERSTOOD.

3. UEKI DID NOT RAISE NPT ISSUE, AND AMBASSADMR, THEREFORE,
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DID NOT USE THE GOOD STATEMENT PROVIDED IN REFTEL A.

3. UEKI'S PRESPECTIVE VISIT TO THE US CAME UP ONLY BRIEFLY WHEN AMBASSADOR OBSERVED THAT THE POINTS MADE IN THE LETTER WOULD BE DISCUSSED FURTHER IN WASHINGTON. UEKI INDICATED THAT HE WAS NOT YET IN A POSITION TO GIVE THE AMBASSADOR A SPECIFIC DATE.

5. FOLLOWING AMBASSADOR'S CALL ON UEKI, ECON COUNSELOR PRESENTED COPY TO AMBASSADOR CABRAL DE MELLO, HEAD OF FOREIGN OFFICE'S ECONOMIC DEPARTMENT. CABRAL DE MELLO CAREFULLY WENT OVER STEPS IN US PRESENTATION, PASSED RATHER QUICKLY OVER POINT THAT NO DECISION HAD YET BEEN TAKEN ON POSSIBLE VENTURES OVERSEAS, AND ONCE MORE FOCUSED ON PRECISE SEQUENCE AND TIMING ENVISAGED BY USG. HE SAID "SO THESE ARE THE CONDITIONS" (I.E., CONDITIONS FOR DECISION ON POSSIBLE OFF-SHORE SITES), THEN TURNED TO SPECIFIC MEANING OF PHRASE "FOR PLANTS TO BE BUILT AFTER THE NEXT US DOMESTIC PLANT," AND ASKED WHETHER THIS SENTENCE LITERALLY MEANT WHAT IS SAID OR WHETHER IT MEANT THAT US PLANT WOULD HAVE TO BE FIRMLY COMMITTED AND PERHAPS UNDER CONSTRUCTION. COUNSELOR STRESSED THAT NO DECISIONS HAD BEEN TAKEN, AND CALLED ATTENTION TO TERM "COOPERATIVE VENTURESZM STILL PURSUING THE QUESTION OF CONDITIONS, CABRAL DE MELLO TOOK NOTE OF PARA 4. F, WHICH GAVE COUNSELOR OPPORTUNITY TO UNDELINE BASIC US POINT THAT FOR NEAR FUTURE NO LINK BETWEEN REACTOR SALES AND ENRICHMENT TECHNOLOGY WAS POSSIBLE.

6. CABRAL DE MELLO THEN ASKED ABOUT THE STATUS OF URANIUM ENRICHMENT ASSOCIATES FOLLOWING WESTINGHOUSE WITHDRAWAL FROM THE CONSORTIUM AND BEGAN DISCUSSION OF THE RELATIVE INVESTMENT AND ENERGY REQUIREMENTS OF THE GASEOUS DIFFUSION, CENTRIFUGE AND BECKER NOZZLE PROCESSES. HE SAID BECKER NOZZLE PROCESS APPARENTLY INVOLVED VERY HIGH INVESTMENT COSTS WHILE DIFFUSION PROCESS ENTAILED VERY LARGE POWER REQUIREMENTS. CABRAL DE MELLO MADE POSITIVE REFERENCE TO SOUTH AFRICA'S EXPERIENCE WITH BECKER NOZZLE PROCESS, AND CLOSED DISCUSSION WITH COMMENT THAT "BRAZIL WOULD NOT BE ABLE TO AFFORD DIFFUSION PLANT UNTIL WE COMPLETE ITAIPU." COUNSELOR INSERTED WORD OF CAUTION, SAYING THAT CONFIDENTIAL

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ACCORDING TO HIS UNDERSTANDING BECKER NOZZLE PROCESS HAD NOT BEEN TESTED ON INDUSTRIAL SCALE. (COMMENT: PREVIOUS REPORTS FROM GOB SOURCES HAVE INDICATED ABUNDANT ELECTRIC ENERGY AVAILABLE FOR NUCLEAR DEVELOPMENT PURPOSES FROM HYDRO-ELECTRIC PROJECTS TO BE DEVELOPED IN NORTH AND AMAZON AREA. ON THE OTHER HAND, ITAIPU POWER PROSPECTIVELY COMMITTED TO MEET BURGEONING DEMAND IN SOUTHERN BRAZIL.) OUR IMPRESSION WAS THAT CABRAL DE

MELLO SEEMED RATHER PLEASED AND MEETING ENDED ON A CORDIAL NOTE.

7. CABRAL DE MELLO ALSO DID NOT RAISE NPT. IF IT WAS ON HIS MIND, HE DID NOT ACT AS IF THIS WAS AN OVERRIDING OBSTACLE.

8. EMBASSY BELIEVES THAT DEPARTMENT'S FORMULATION (REFTEL A) ON NPT ASPECTS PROVIDES USEFUL CLARIFICATION. ACCORDINGLY, UNLESS DEPARTMENT PERCEIVES OBJECTION, AMBASSADOR PLANS TO TRANSMIT THIS LANGUAGE IN FOLLOW-UP MESSAGE TO MINISTER UEKI, MAKING SPECIFIC REFERENCE TO SECOND BECHTEL LETTER, ON FRIDAY, MAY 2. THE DEPARTMENT MAY WISH TO USE THIS OPPORTUNITY TO CORRECT OTHER POINTS IN THE SECOND BECHTEL LETTER, IN WHICH CASE EMBASSY WOULD APPRECIATE PRECISE LANGUAGE.
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